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TO RUEHC/SECSTATE WASHDC PRIORITY 3259
INFO RUEHCL/AMCONSUL CASABLANCA PRIORITY 1497

UNCLAS RABAT 000574

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DEPT FOR OES/STAS BOB SENSENEY AND L/OES SUSAN BINIAZ
DEPT ALSO FOR NEA/MAG

E.O. 12958: N/A

TAGS: SENV TSPL KSCA EAID MO

SUBJECT: MOROCCO REJECTS U.S. S&T PROPOSAL

REF: SENSENEY-SCHNIER E-MAIL 3/20/06

¶1. (U) Post received diplomatic note number 1110 dated March 29, 2006, from the Ministry of Foreign Affairs, rejecting the latest U.S. proposal for Article VIII of the Science and Technology Agreement currently under negotiation. Post submitted the U.S. proposal on March 21 per instructions in Ref A e-mail.

¶2. (U) Unofficial embassy translation follows.

BEGIN TEXT: "The Ministry of Foreign Affairs presents its compliments to the United States Embassy in Rabat and in reference to the Embassy's note number 102 of March 21 2006 containing the U.S. Government's proposal for paragraphs 3 and 4 of Article VIII of the draft Agreement on Science and Technology Cooperation, has the honor to communicate the following observations of the Moroccan side:

1) The proposed text for paragraph 3 of Article VIII is in conformity with Moroccan legislation and for this reason does not raise any objection.

2) Concerning paragraph 4 of Article VIII of the draft Agreement, which stipulates that the Moroccan Executive Agent shall serve as the sole recipient of record of U.S. assistance destined to be used by entities other than those listed in paragraph 3, the (tax) exonerations proposed are not in conformity with Moroccan legislation in force, and cannot be granted. As such, it is proposed that paragraph 4 of Article VIII be eliminated from the Agreement.

The Ministry of Foreign Affairs takes this opportunity to renew to the Embassy the assurance of its highest consideration." END TEXT.

Visit Embassy Rabat's Classified Website;
<http://www.state.sgov.gov/p/nea/rabat>

Riley